

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PUTNAM ENERGY, INC., ITS
OFFICERS AND DIRECTORS, AGENTS, EMPLOYEES,
AFFILIATES, SUCCESSORS AND ASSIGNS.

FILE NO. 1100199

NOTICE OF HEARING

TO RESPONDENTS:

Putnam Energy, LLC
1 Oak Hill Center, Suite 300
Westmont, Illinois 60559

c/o Mitchell D. Goldsmith, Esq.
Shelsky & Froelich
111 East Wacker Drive, Suite 2800
Chicago, Illinois 60601-3713

Respondents are hereby notified that pursuant to Section 11.F of The Illinois Securities Law of 1953, as amended, Ch. 815 ILCS 5/1, et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, and Respondent's request to have a public hearing made within thirty days of receipt of the Temporary Order of Prohibition heretofore issued, a public hearing will be held at 69 West Washington Street, Suite 1220, Illinois 60602, on the 22nd day of June, 2011, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether a permanent Order of Prohibition should be entered against Putnam Energy, LLC., its, managers, partners, officers, directors, agents, employees, affiliates, successors and assigns the ("Respondent"), and/or granting such other relief as may be authorized under the Act including, but not limited to, censure and the imposition of a monetary fine in the maximum amount of \$10,000 per violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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1. That Respondent Putnam Energy, LLC, a business entity, ("Respondent") maintained a business address at 1 Oak Hill Center, suite 300, Westmont, Illinois 60559.
2. That during March 2011, Respondent, by and through its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents and Assigns, placed an Ad, (the "Ad") in Crain's Chicago Business Classifieds which appeared on the web page ["http://www.crain.com/classified/index.cfm?p=ccb&display=business&results=show,"](http://www.crain.com/classified/index.cfm?p=ccb&display=business&results=show) and was viewed by at least one (1) Illinois resident (the "Offeree").
3. That the Ad stated:
 - A) "7% Floor Energy Notes, 2 Year term ..."
 - B) "...Backed by Natural Gas..."
 - C) "...Putnam Energy, LLC..."
 - D) "...moria@putnamenergy.com..."
4. That the activity described in paragraphs 2 and 3 above constitutes the offer of a promissory note and therefore a security as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
5. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
6. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and as a result the security was not registered pursuant to Section 5 of the Act prior to its offer and sale in the State of Illinois.
7. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
8. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
9. That by virtue of the foregoing, Respondent has violated Sections 12.A and 12.D of the Act.

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You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

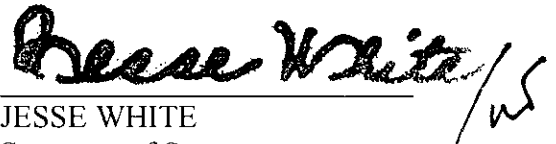
You are also notified, pursuant to the Illinois Administrative Code, Title 14, Subtitle A, Chapter 1, Part 130, Subpart K, Procedures for Administrative Hearings: Section 130.1102 c), which in part provides: "That by requesting a hearing the Respondent agrees to a tolling of the time limitation on the effectiveness of the Temporary Order or Prohibition or Suspension for 60 days from the date the request is received by the Department."

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute a default; unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is posted at: <http://www.cyberdriveillinois.com/departments/securities/lawrules.html.b>

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 4th day of May 2011.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
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Chicago, Illinois 60602
312-793-3384

Hearing Officer:

James L. Kopecky
Kopecky, Schumacher, & Bleakley, P.C.
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Chicago, Illinois 60601
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